



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

January 11, 2010

Michael Milligan, Human Resources Manager
Teledyne RD Instruments, Inc.
14020 Stowe Drive
Poway, CA 92064

Dear Mr. Milligan:

RE: FINAL MONITORING VISIT REPORT for Teledyne RD Instruments, Inc.
ET09-0523

Date of the Visit:	12/29/09
Beginning/Ending Time:	10:00 a.m. – 12:15 p.m.
Date of Last Visit:	07/21/09
Visit Location:	Poway
Persons in attendance:	Michael Milligan, HR Manager; and Christine Loper, HR Generalist; from Teledyne RD Instruments; and Krista Campion, Contract Analyst, Employment Training Panel
Action Required:	No

CONTRACT INFORMATION

Term of Agreement:	4/06/09 – 4/05/11	Agreement Amount:	\$79,920
Training Start Date:	4/07/09	No. to Retain:	111
Date Training must be Completed:	1/05/11	Range of Hours:	24 – 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	40

**ACTION ITEMS REMAINING
FROM THE PRIOR VISIT:**

None

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

FINAL REPORT SUMMARY

- **HISTORY OF AGREEMENT CHANGES**

The Agreement was executed on 4/17/09. Training commenced on 4/07/09 and the last day of ETP training was 12/10/09, which allowed for the 90-day retention period to be completed within the term of the Agreement – 4/15/11.

There were no Modifications or Amendments processed for this Agreement.

- **INTERVIEW WITH MARK STURHANN, VP OF OPERATIONS AND MICHAEL MILLIGAN, HR MANAGER**

Teledyne RD designs and manufactures underwater acoustic Doppler products including wave measurement products, navigation products for marine environments; and discharge and water flow-measurement products for inland environments. This project was designed to provide advanced job skills training for approximately 111 frontline workers in Continuous Improvement, Computer Skills, Management Skills and Advanced Technology.

Mr. Sturhann reported that the training was very effective and beneficial to the company. He stated that the biggest benefit of the training was the Lean Manufacturing training (Continuous Improvement) and the Kaizen Events training which resulted in cost savings to the company in the way of improved vendor-managed inventory and reductions in waste in company operations. Mr. Sturhann reported that it would have been very difficult to implement cost savings without the ETP-funded training.

Mr. Milligan reported that the AT training helped the employees standardize methods of programming and the Management Skills training resulted in increased communication skills of managers. Mr. Milligan stated he received positive responses from production trainees on the training primarily as a result of the benefits of the Lean Manufacturing and Value Stream Mapping training. He stated that by a commitment to training, planning and execution of the training schedule, Teledyne RD Instruments projects to earn 80% of the Agreement amount.

Although there is still time left in the Agreement term of this project, Mr. Milligan reported that all training was conducted and there are no plans for any additional training at this time; therefore, Teledyne RD Instruments will close out the ETP Agreement early. Finally, Mr. Milligan reported that the reason for the high number of drops in this project was because he chose to enroll all employees at the company in the ETP project with the understanding that not all would receive the minimum number of training hours. See below for a discussion on projected earnings.

PROJECT STATUS PROVIDED BY THE CONTRACTOR

Trainees Started Training:	183	Completed Training:	94
Trainees Enrolled:	194	Completed Retention:	69
Dropped Following Enrollment:	100	In Retention Period:	25
No. Completed Minimum Reimbursable Hours :	94		

PROJECTED EARNINGS / NUMBER TO RETAIN

You reported that 94 retrainees (85% of planned trainees) have completed training, which is confirmed in the ETP class/lab tracking system, and all are projected to complete the 90-day retention period. The per trainee reimbursement for class/lab training is based on the total actual number of training hours completed for each trainee, provided the minimum (24) and no more than the maximum (200) class/lab training hours are completed, and all other Agreement terms and conditions are met.

The 94 retrainees referenced above have completed from 24 to 87 hours of class/lab and Advanced Technology (AT) training, for a grand total of 3,543 hours of training. **This equates to a potential reimbursement of \$63,902, assuming that all Agreement performance requirements are met.** This amount is approximately 80% percent of the Agreement amount.

CLOSEOUT INVOICE

The Analyst provided technical assistance on the procedures for submitting Progress Payment 2 and final invoices to ETP. Subsequently, you submitted final invoices for 69 retrainees which are currently being processed by ETP. You also project to submit the final closeout invoice to ETP by the end of March 2010, which is well before the end term date of the Agreement of 4/05/11. To date, Teledyne RD Instruments has been reimbursed by ETP a total of \$47,336 in progress payments, of which \$43,249 is considered *earned in process*.

ATTENDANCE ROSTERS

Attendance Rosters reviewed:	6 trainees' rosters covering 4/07/09 – 11/05/09	Rosters reviewed contained all the required information per Title 22, California Code of Regulations, Section 4442.	YES
Information contained in rosters reviewed was consistent with the hours reported on-line?			YES

AUDIT

Teledyne RD Instruments, Inc. will be notified in writing if this Agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

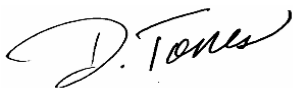
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information in this letter, please contact Ms. Campion at 619-686-1917, or at kcampion@etp.ca.gov, within ten (10) working days from the receipt date of this letter.

Sincerely,



Diana Torres, Manager
San Diego Regional Office



Krista Campion, Contract Analyst
San Diego Regional Office

cc: Christine Loper, HR Generalist, Teledyne RD Instruments
Kulbir Mayall, ETP Fiscal Manager
Master File
Project File
Final Report File